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New Orleans City Council

July 1, 2019

The Honorable Erroll G. Williams, Assessor
Orleans Parish
1300 Perdido Street
City Hall Room 4E01
New Orleans, LA 70112

Dear Assessor Williams,

I want to thank you and your staff for engaging with us on this critical issue of tax fairness in Orleans Parish. I appreciate the hard work by your team to ensure equitable tax assessments across our city.

One of the initiatives that my office and I have dove into during our time here on the Council is to identify resources to help tackle the systemic and long-term challenges that our city continues to face. This is why I passed a law to enable local controls over industrial tax exemptions, a particularly popular tax relief granted to mostly large corporations. These new rules specifically and directly tie these incentives to real, quality job creation for our people.

Through this effort, we've begun to review the ongoing industrial tax exemptions (ITE) that have been granted in our city. As you know, through both our in-person meeting and subsequent correspondence, we've been concerned with some specific ITEs that appear to have been cancelled by Louisiana Economic Development (LED) for failure to properly file renewals through the State Board of Commerce and Industry.

According to our research, it appears that at least two of these ITEs are in fact no longer valid. This means that the city is in fact likely owed hundreds of thousands of dollars of back taxes (and potential penalties). Specifically, those are **ITEs #20100720-A** and **#20100917-A**. According to documentation filed by LED (and available to assessors electronically through emailed FASTLANE notices or dedicated LED portal), each of the above referenced ITEs were up for required renewal in 2017 and through subsequent inaction, were denied by the State Board of Commerce at their October 31, 2018 meeting. An appeal from the Company failed on February 27, 2019, meaning these exemptions have been invalid since the 2017 tax year.

As the record-keeper for all property tax statuses, it is of course incumbent that your office stay up-to-date regarding the tax exemption status of all state-granted ITEs. Your letter suggests that the exemptions are granted initially for a 10-year period, but that is incorrect. The Louisiana Constitution states, "*The exemption shall be for an initial term of no more than five calendar years, and may be*

*renewed for an additional five years.”*¹ As you can see, the exemption as contemplated in the 1974 Constitution is not for ten years, but rather for five years with a potential for five year renewal.

Monitoring that renewal date for each exemption granted in our city is essential to ensuring tax fairness for all citizens regarding the generous ITE program. Dollars not collected on ineligible exemptions deprive our city of vital resources that could be deployed to fix our streets, maintain our aging drainage system, or create needed early childhood services, among many other priorities.

I know we are both especially concerned with making our city more affordable for our people and lifting burdens by enhancing equity across the board to help make everyday life easier. Please let me know when you are able to review the attached documentation and take action against ineligible ITEs, as well as other exemptions that are either inactive or unfairly maintained.

Our people deserve this level of accountability. Doing so is not only fair to all, but also gives us the best chance of collecting the share of resources that our people have already asked us to collect and spend to better their lives.

Thank you for your continued partnership and work on behalf of the people of New Orleans.

Sincerely,

A handwritten signature in black ink, appearing to read 'Helena Moreno', with a stylized, flowing script.

Helena Moreno

President, New Orleans City Council

¹ Louisiana Constitution of 1974, Article 7.21(F)